

## Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02

SS-15 USIA-15 AID-05 COME-00 EB-07 FRB-01 TRSE-00

XMB-04 OPIC-06 CIEP-02 LAB-04 SIL-01 OMB-01 OES-05

FEAE-00 INT-05 /129 W

----- 124588

R 201349Z DEC 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6922

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION USBERLIN

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION GENEVA

AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY BELGRADE

AMEMBASSY ATHENS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TUNIS

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY ANKARA

AMEMBASSY RABAT

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E.O. 11652: N/A

TAGS: ELAB, GW

SUBJECT: UNEMPLOYMENT REACHES 3.5 PERCENT

REF: BONN 16885, 19437, 18043, 18184, 18545, 19235

1. SUMMARY. WITH ALMOST 800,000 JOBLESS, 3.5 PERCENT OF THE LABOR FORCE, UNEMPLOYMENT IN THE FRG AND WEST BERLIN HAS REACHED ITS HIGHEST LEVEL SINCE 1959. GOVERNMENT SPOKESMEN NOW SAY THAT THE JANUARY-FEBRUARY UNEMPLOYMENT PEAK WILL EXCEED 1 MILLION. FOREIGN WORKERS HAVE BEEN HIT BY RECENT DISMISSALS MUCH HARDER THAN GERMANS AND ARE NOW EXPERIENCING AN UNEMPLOYMENT RATE OF 4.7 PERCENT. THE GOVERNMENT THEREFORE HAS SENT TO THE BUNDESTAG A BILL WHICH WOULD HAVE THE EFFECT OF CREATING ADDITIONAL JOBS. END SUMMARY.

2. IN NOVEMBER THE NUMBER OF UNEMPLOYED INCREASED BY 127,000, 18.9 PERCENT, TO REACH 799,300. THE NEW RATE OF 3.5 PERCENT IS A 141 PERCENT INCREASE OVER UNEMPLOYMENT RATE OF 1.5 PERCENT A YEAR EARLIER.

3. REGIONALLY, UNEMPLOYMENT VARIES BETWEEN 4 PERCENT IN THE RHINELAND-PALATINATE AND SAARLAND TO 2.4 PERCENT IN BADEN-WUERTTEMBERG WITH SEASONALLY ADJUSTED FIGURES SHOWING THAT BADEN-WUERTTEMBERG IS SUFFERING THE HIGHEST INCREASE IN UNEMPLOYMENT. A BREAKDOWN BY OCCUPATION SHOWS 132,000 METALWORKERS, 97,000 CONSTRUCTION WORKERS, 92,000 OFFICE WORKERS, 60,000 TRANSPORT WORKERS, AND 58,000 SALES PERSONNEL UNEMPLOYED. THE NUMBER OF REGISTERED SHORT-TIME WORKERS, MOST OF WHOM WORK IN THE METAL INDUSTRIES, INCREASED FROM 370,000 IN MID-OCTOBER TO 460,000 IN MID-NOVEMBER.

4. FOREIGN WORKERS CONTINUE TO BE MORE AFFECTED THAN GERMANS. IN NOVEMBER THE NUMBER OF UNEMPLOYED FOREIGNERS ROSE FROM THE PREVIOUS MONTH BY 30.8 PERCENT TO REACH 115,000 OR 4.6 PERCENT OF THE FOREIGN WORKER COMMUNITY. THE FEDERAL EMPLOYMENT SERVICE HAS EMPHASIZED PREVIOUSLY EXISTING POLICY DIRECTIVES WHICH

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REQUIRE THAT EMPLOYERS GIVE GERMANS PRIORITY OVER FOREIGNERS IN FILLING VACANCIES. ALSO FEDERAL AND STATE GOVERNMENTS HAVE AGREED THAT FOREIGNERS WHO ENTERED THE FRG WITHOUT APPROPRIATE VISAS WILL BE REFUSED RESIDENCE PERMIT AND REPATRIATED TO THEIR HOME COUNTRIES. THEY

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HAVE ALSO AGREED TO INCREASE PENALTIES FOR EMPLOYERS WHO HIRE ILLEGAL IMMIGRANTS, NOW ESTIMATED AT 200,000. THERE ARE INDICATIONS THAT INCREASING UNEMPLOYMENT IN GERMANY HAS CAUSED SOME FOREIGN WORKERS TO RETURN TO THEIR HOME COUNTRIES. ACCORDING TO ESTIMATES OF THE EMPLOYMENT SERVICE DURING THE SECOND QUARTER OF 1974 THE NUMBER OF FOREIGN WORKERS DECLINED BY 50,000, 2 PERCENT, TO 2,440,000.

5. UNION LEADERS ARE STEPPING UP THEIR CAMPAIGN TO PERSUADE THE GOVERNMENT TO INSTITUTE MORE ECONOMIC INCENTIVES AND DEFICIT SPENDING IN ORDER TO CREATE NEW JOBS. THE DGB HAS CALLED FOR THE IMMEDIATE IMPLEMENTATION OF A COMPREHENSIVE JOB CREATION PROGRAM WHICH WOULD INCLUDE IMPLEMENTATION OF EXISTING PLANS BY THE FEDERAL RAILWAYS AND POST TO INCREASE FACILITIES, APPROPRIATION OF ADDITIONAL FUNDS FOR THE CONSTRUCTION OF LOW COST HOUSING AND FOR THE MODERNIZATION OF OLD HOUSES AND URBAN RENEWAL, THE GRANTING OF SUBSIDIES BY THE FEDERAL AND STATE GOVERNMENTS TO IMPROVE CITY TRANSPORTATION FACILITIES, APPROPRIATION OF ADDITIONAL FUNDS FOR THE ESTABLISHMENT OF CENTRALIZED TRAINING WORK SHOPS FOR APPRENTICES, ADDITIONAL SUBSIDIES FOR IMMEDIATE CONSTRUCTION OF NEW HOSPITALS AND THE ENLARGEMENT OF EXISTING HOSPITALS, AND THE CONTINUATION OF PROGRAMS TO INCREASE INVESTMENTS IN COMMUNAL INFRASTRUCTURES AND IN SPECIFIC GEOGRAPHIC AREAS.

6. ON DECEMBER 12, THE CABINET SENT TO THE BUNDESTAG A BILL WHICH AMONG OTHER THINGS WOULD PROVIDE SUBSIDIES FOR EMPLOYERS WHO CREATE NEW JOBS, GRANT BONUSES TO UNEMPLOYED WORKERS WILLING TO MOVE TO AREAS WHERE JOBS ARE AVAILABLE, MAKE WORKERS ON SHORT TIME ELIGIBLE FOR SUPPLEMENTARY PAY UP TO 24 MONTHS AND SUBSIDIZE CONSTRUCTION OF PUBLIC PROJECTS IN AREAS OF HIGHEST UNEMPLOYMENT. HOWEVER, THE PRESIDENT OF THE FEDERAL EMPLOYMENT SERVICE HAS SAID THAT THE GOVERNMENT PROGRAM WILL NOT PREVENT UNEMPLOYMENT FROM EXCEEDING ONE

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MILLION IN JANUARY-FEBRUARY.  
CASH

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## Message Attributes

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**Copy:** SINGLE  
**Draft Date:** 20 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** 74 BONN 16885, 74 19437, 74 18043, 74 18184, 74 18545, 74 19235  
**Review Action:** RELEASED, APPROVED  
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**Review Exemptions:** n/a  
**Review History:** RELEASED <02 OCT 2002 by ReddocGW>; APPROVED <06 JAN 2003 by MorefiRH>  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**TAGS:** ELAB, GE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005